

Expansion Subcommittee Report to the Capital Projects Advisory Review Board

Attached is the most current draft of the design build legislation, incorporating comments from the August 4 Expansion Committee discussions. I understood our consensus was to forward this to legislative staff, to incorporate into their work, with the understanding that there were still remaining issues which need to be resolved.

These issues are noted in the attached draft from Robynne and highlighted in my meetings notes below. Robynne will work with Stan and others to develop new draft, and send to Olivia after Labor Day for distribution and discussion at September Expansion Committee meeting.

Olivia Yang's Report to CPARB

1. Issues to be resolved:

1.1 The Expansion Committee has been asked to hold discussions on the definition of the "experienced owner". This discussion will occur September 7, 3-5pm, following the regular Reauthorization Subcommittee meeting. It appears this is a topic of interest to almost all CPARB stakeholders, so meeting time/location should be noted at the CPARB meeting August 10.

ALL EXPANSION COMMITTEE MEMBERS

PLEASE NOTE THAT THE SEPTEMBER MEETING FOR THE EXPANSION COMMITTEE WILL BE SEPTEMBER 7, *NOT* SEPTEMBER 1.

1.2 We were unable to have in-depth discussions of DBOM. This discussion is scheduled for September 8, 11am to Noon, following the regular Expansion Committee meeting. (Stakeholders who have indicated interest are: Ed Kommers, Dave Johnson, Duke Schaub, Olivia Yang, Ashley Probart; unavailable for the meeting but probably interested are: Nora Huey and Rodney Eng).

1.3. Stan Bowman brought up DB/leased back. Consensus was that due to press of other priority issues, this issue is deferred.

2. Design Build Discussions

2.1 There is general consensus that the different procurement methods (GCCM, DB and JOC) should list separately owner, project, and dollar limit criteria since no one set of criteria will work for all.

2.2 The following are highlights of discussion on Design Build draft:

Parag (1) Owner criteria to be discussed separately.

Parag (2) Consensus was for \$10M (project budget, as defined previously all project costs, less financing costs and land acquisition costs) is the

threshold. \$5M as a lower threshold, for complex, specialized projects such as those for public hospitals, complex research facilities, and the like.

Parag (2) project criteria: schedule as criteria - attached draft contains proposed language, to allow schedule as criteria, but to also address concern that schedule be sole criteria, regardless of mitigating circumstances. Evergreen Library reconstruction was cited as an example where schedule was sole criteria for using design build, due to pressing public benefit.

Parag (3) delete reference to "student housing over \$5M". "Construction or erection of pre-engineered metal buildings and prefabricated module buildings, regardless of cost" will remain. No requirement to go before Central Project Review Committee. No exclusion for smaller contractors currently in this market. Selection process described in this legislation does not apply.

Parag (4) Stan and Robynne will redraft to describe the evaluation criteria for each of the two step process. Delete requirement for "concept of proposal" as an evaluation criteria. Add information on honorarium and form of contract.

Parag (5) revise "design bid" to "design build". Parag (5b) restate as "Owner's budget for the Design Build Contract" or language to that effect, but avoid use of "MACC" terminology.

Parag (6) language on honorarium needs to be clarified further. Concern is possibly not enough to prevent public body from disproportionately low honorarium.